(c) whether Government would consider abolishing service tax on consultation fee earned by retired Government officers and if not, the reasons therefore?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) Service tax is leviable at the rate of 10 per cent and education cess at the rate of 2 per cent of 10 per cent, on services provided such as management consultant and consulting engineer, specified under section 65(105) of the Finance Act, 1994. The category of persons liable to pay service tax for the said services is also specified in the relevant provisions.

(c) At present there is no proposal under the consideration of the Government to exempt the levy of service tax on such taxable services provided by any specific category of persons.

FDI Inflow

2224. DR. K. MALAISAMY: Will the Minister of FINANCE be pleased to state:

(a) the comparative figure of FDI flow in the regimes of the previous vis-a-vis the present Government, year-wise;

(b) what is the quantum of funds percolated to each State during these two regimes, year-wise;

(c) what is the handicap experienced by India in attracting huge FDI like China; and

(d) what measures can be taken to keep our Corporate Tax Index equivalent to Hong Kong and Singapore?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) FDI flows during each of the Financial year since 1991-92 (August-May) to 2005-06 (up to May 2005) are given in the Statement (*See* below).

(b) State-wise FDI inflows during each of the Financial year since

2000-01 to 2005-06 (April-May 2005) as available, are given in the Statement-II. (*See* below)

(c) Some of the main reasons behind high FDI inflow into China, which opened up more than a decade ahead of India, are preferential policies for FDI, including lower rates of taxes; world class infrastructure with lower cost of services; liberal and flexible labour laws.

(d) The corporate tax rate depends on a number of factors like tax-GDP ratio, size of tax-base etc. Therefore, it would not be possible to make such comparisons.

Statement

Financial Year-wise Inflows

Sl. No.	Year (April-March)	FDI Inflows (Amount in Rupees in crore)
1.	1991-1992 (Aug-May)	408
2.	1992-1993	1,094
3.	1993-1994	2,018
4.	1994-1995	4,312
5.	1995-1996	6,916
6.	1996-1997	9,654
7.	1997-1998	13,548
8.	1998-1999	12,343
9.	1999-2000	10,311
10.	2000-2001	12,645
11.	2001-2002	19,361
12.	2002-2003	14,932
13.	2003-2004	12,117
14.	2004-2005	17,138
15.	2005-2006 (up to May 2005)	4,016
	GRAND TOTAL:	140,813

Statement-II

State-wise and Financial Year-wise Break up for FDI Inflows[1]
(From April 2000[2] to May 2005)s

(Amount in Rs./crore)

Sl. No.	Regional Offices of RBI	States Covered	2000-01 Apr-Mar	2001-02 Apr-Mar	2002-03 Apr-Mar	2003-04 Apr-Mar	2004-05 Apr-Mar	2005-06 Apr-May	Cumulative Total
1	2	3	4	5	6	7	8	9	10
1	Hyderabad	Andhra Pradesh	305.47	338.09	242.65	353.49	747.85	22.81	2010.35
2	Guwahati	Assam, Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland, Tripura	0.35	5.58	2.59	19.48	13.39	0.00	41.38
3	Patna	Bihar, Jharkhand	0.05	0.00	0.00	1.13	0.00	0.00	1.18
4	Ahmedabad	Gujarat	23.94	108.66	550.71	917.12	610.53	149.95	2360.91
5	Bangalore	Karnataka	635.86	1348.36	975.24	926.53	1131.34	185.17	5202.49
6	Kochi	Kerla Lakshadweep	53.47	66.18	67.45	44.53	33.77	6.45	271.85
7	Bhopal	Madhya Pradesh Chattisgarh	3.50	12.87	5.83	34.85	69.25	13.09	139.39
8	Mumbai	Maharashtra Dadra & Nagar	3245.05	5137.34	2366.40	1355.31	3183.13	295.29	15582.53

1	2	3	4	5	6	7	8	9	10
		Haveli Daman & Diu							
9	Bhubneshwar	Orissa	0.00	0.00	0.00	0.00	0.00	0.15	0.15
10	Jaipur	Rajasthan	2.53	5.23	1.22	1.89	4.58	2.25	17.69
11	Chennai	Tamil Nadu Pondicherry	363.99	1659.60	990.17	603.80	358.47	235.79	4211.82
12	Kanpur	Uttar Pradesh Uttranchal	0.00	0.00	0.00	0.00	0.03	0.00	0.03
13	Kolkata	West Bengal Sikkim Andaman & Nicobar Islands	37.59	87.24	177.96	84.50	467.37	144.62	999.28
14	Chandigarh	Chandigarh Haryana Himachal Pradesh Punjab	163.22	5.93	843.89	76.71	13.49	0.63	1103.88
15	Delhi	Delhi, Part of U.P. And Haryana	3611.10	5460.17	3062.22	2123.46	3717.53	2112.53	20087.02
16	Panaji	GOA	27.91	15.71	139.09	160.59	100.66	12.71	456.67
17	–	Not Indicated[3]	1893.95	4235.32	3445.25	3360.72	4201.34	834.42	17970.99
	GRAND TOTAL:		10367.98	18486.27	12870.67	10064.10	14652.73	4015.86	70457.61

1 Includes equity capital component' only.

2 State/Regional officers of RBI's wise data prior to April 2000 has not been provided by RBI.

3 Respresents inflows through acquisition of shares by transfer from residents. For this, regional wise information is not provided by Reserve Bank of India.

4 The above data excludes the amount of FDI inflows received for stock swapped & advance pending for issue of shares since these are not categorised State-wise.